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February 13, 2004

Mary Cottrell, Secretary  
Department of Telecommunications and Energy  
One South Station, 2<sup>nd</sup> Floor  
Boston, Massachusetts 02110

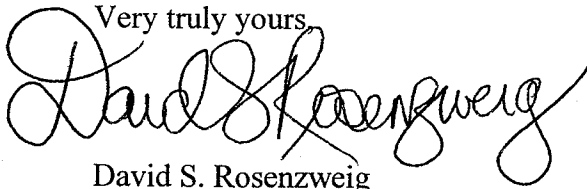
Re: NSTAR Electric, D.T.E. 03-121

Dear Secretary Cottrell:

Enclosed for filing, please find NSTAR Electric's responses to the following Department of Telecommunications and Energy Information Requests in the above-referenced case: DTE-1-1, DTE-1-2, DTE-1-4, DTE-1-6, DTE-1-7 through DTE-1-12.

Thank you for your attention to this matter.

Very truly yours,

A handwritten signature in black ink, appearing to read "David S. Rosenzweig", written in a cursive style.

David S. Rosenzweig

Enclosures

cc: William Stevens, Secretary  
Service List

Information Request DTE-1-1

Refer to Exh. NSTAR-HCL-1, at 8, line 7. What is meant by “standby rights” in this sentence?

Response

The term “standby rights” refers to the customer’s rights to receive standby service, as defined by the Company’s proposed standby service tariffs in this case.

Information Request DTE-1-2

Refer to Exh. NSTAR-HCL-1, at 26, lines 4-6. Is there a situation in which the contract demand could be decreased, such as if the generating capability or the expected output of the customer's generation unit(s) was reduced by the customer?

Response

Yes. Although the rate, as proposed, does not describe situations that might lead to a reduction of the contract demand, NSTAR would offer to include language that provides for the reduction in the contract demand to a level equal to the lower of: (1) the maximum output of the customer's generation in the current billing month and the prior eleven billing months; or (2) the actual maximum standby demand established by the customer in the current and prior eleven billing months.

Information Request DTE-1-4

Refer to Exh. NSTAR-HCL-1, at 28; G.L. c. 164, § 1G(e); and 220 C.M.R. § 11.03(4). Please explain how the 500 Kilowatt credit, as it is applied in this example, is consistent with the requirement that the transition charge be non-bypassable.

Response

The 500 kilowatt credit referred to in the example is applied only to the distribution charge of the supplemental rate (see for example: Boston Edison Rate SB-1, Supplemental Delivery Service, Adjustments: (i)). The total demand and energy units metered for supplemental service are used to determine the total transition charges. Thus, the proposed standby rates are fully consistent with the non-bypassable transition charge requirement.

Information Request DTE-1-6

Refer to Exh. NSTAR-HCL-2. Please provide the source data referenced.

Response

The source data is the rate design exhibit for Rate G-2 that was filed as Exhibit BEC-HCL-3, page 6 in D.T.E. 02-80A, Boston Edison Company 2002 Annual Reconciliation of the Transition Charge, which is provided herewith as Attachment DTE-1-6.

**D.T.E. 03-121**  
**Attachment DTE-1-6**

BOSTON EDISON COMPANY									
ADJUSTED YEAR 1995 BILLING DETERMINANTS									
PRE-RAD RATES REFLECTING 1996 BASE, RATES, CC & FC									
UNBUNDLED RATES FOR EFFECT JANUARY 2003									
PRE-RAD RATE G-2					UNBUNDLED RATE DESIGN RATE G-2				
	UNITS	PRICE	REVENUE			UNITS	PRICE	REVENUE	
CUSTOMER CHARGE	303,168	20.21	6,127,025		CUSTOMER CHARGE	303,168	18.19	5,514,626	
					DISTRIBUTION CHARGE (Demand)				
					WINTER > 10 KVA	3,489,462	9.43	32,905,627	
					SUMMER > 10 KVA	2,017,299	20.22	40,789,786	
					TOTAL	5,506,761		73,695,412	
DEMAND CHARGE					TRANSMISSION CHARGE (Demand)				
WINTER > 10	3,489,462	11.45	39,954,340		WINTER > 10 KVA	3,489,462	1.89	6,595,083	
SUMMER > 10	2,017,299	24.52	49,464,171		SUMMER > 10 KVA	2,017,299	4.04	8,149,888	
TOTAL	5,506,761		89,418,511		TOTAL	5,506,761		14,744,971	
ENERGY CHARGE					DISTRIBUTION CHARGE (Energy)				
WINTER -1st 2000 KWH	337,697,570	0.06302	21,281,701		WINTER 1st 2000 kwh	337,697,570	0.01143	3,859,883	
next 150 hrs	645,393,157	0.02757	17,793,489		next 150 h	645,393,157	0.00638	4,117,608	
Additional	548,255,682	0.01445	7,922,295		Additional	548,255,682	0.00451	2,472,633	
TOTAL	1,531,346,409		46,997,485		TOTAL	1,531,346,409		10,450,125	
SUMMER -1st 2000 KW	169,086,564	0.13282	22,458,077		SUMMER 1st 2000 kw	169,086,564	0.02136	3,611,689	
next 150 hrs	360,563,002	0.03975	14,332,379		next 150	360,563,002	0.00811	2,924,166	
Additional	321,971,623	0.01784	5,743,974		Additional	321,971,623	0.00500	1,609,858	
TOTAL	851,621,189		42,534,431		TOTAL	851,621,189		8,145,713	
CONSERVATION CHG	2,382,967,598	0.00381	9,079,107		TRANSMISSION CHARGE (Energy)				
FUEL CHARGE	2,382,967,598	0.04190	99,846,342		WINTER 1st 2000 kwh	337,697,570	0.00369	1,247,357	
TOTAL CHARGES			294,002,901		next 150 h	645,393,157	0.00369	2,383,895	
					Additional	548,255,682	0.00000	0	
					TOTAL	1,531,346,409		3,631,251	
					SUMMER 1st 2000 kw	169,086,564	0.00369	624,557	
					next 150	360,563,002	0.00369	1,331,815	
					Additional	321,971,623	0.00000	0	
					TOTAL	851,621,189		1,956,372	
					TRANSITION CHARGE (Energy)				
					WINTER 1st 2000 kwh	337,697,570	0.03866	13,055,388	
					next 150 h	645,393,157	0.01026	6,621,734	
					Additional	548,255,682	0.00010	54,826	
					TOTAL	1,531,346,409		19,731,947	
					SUMMER 1st 2000 kw	169,086,564	0.09352	15,812,975	
					next 150	360,563,002	0.01893	6,825,458	
					Additional	321,971,623	0.00458	1,474,630	
					TOTAL	851,621,189		24,113,063	
					DSM CHARGE	2,382,967,598	0.00250	5,957,419	
					RENEWABLES CHARGE	2,382,967,598	0.00050	1,191,484	
					TRANSITION RATE ADJUSTMENT	2,382,967,598	-0.00010	(238,297)	
					DEFAULT SERVICE ADJ CHG	2,382,967,598	0.00000	0	
					GENERATION CHARGE	2,382,967,598	0.04950	117,956,896	
					TOTAL CHARGES			286,850,983	

Information Request DTE-1-7

Refer to Exh. NSTAR-HCL-3. Please provide the source data referenced.

Response

The source data is the rate design exhibit for Rate G-2 that was filed as Exhibit CAM-HCL-3, page 7 in D.T.E. 02-80B, Cambridge Electric Light Company and Commonwealth Electric Company 2002 Annual Reconciliation of the Transition Charge, which is provided herewith as Attachment DTE-1-7.



**D.T.E. 03-121**  
**Attachment DTE-1-7**

CAMBRIDGE ELECTRIC LIGHT COMPANY							
ADJUSTED YEAR 1995 BILLING DETERMINANTS							
PRE-RAD RATES REFLECTING 1997 BASE, RATES, CC & FC							
UNBUNDLED RATES FOR EFFECT JANUARY 2003							
PRE-RAD RATE G-2 (1)				UNBUNDLED RATE DESIGN RATE G-2			
	UNITS	PRICE	REVENUE		UNITS	PRICE	REVENUE
<b>CUSTOMER CHARGE</b>				<b>CUSTOMER CHARGE</b>			
SEC	3,120	100.13	312,406	SEC	3,120	90.00	280,800
PRI	60	95.19	5,711	PRI	60	85.55	5,133
<b>TOTAL</b>	<b>3,180</b>		<b>318,117</b>	<b>TOTAL</b>	<b>3,180</b>		<b>285,933</b>
<b>DEMAND CHARGE</b>				<b>DISTRIBUTION CHARGE</b>			
<100 KVA - SEC	283,731	6.72	1,906,672	<100 KVA - SEC	283,731	1.09	309,267
<100 KVA - PRI	5,900	6.39	37,689	<100 KVA - PRI	5,900	0.79	4,661
>100 KVA - SEC	686,462	13.45	9,232,914	>100 KVA - SEC	686,462	2.06	1,414,112
>100 KVA - PRI	9,251	12.79	118,279	>100 KVA - PRI	9,251	1.46	13,506
<b>TOTAL</b>	<b>985,344</b>		<b>11,295,555</b>	<b>TOTAL</b>	<b>985,344</b>		<b>1,741,546</b>
<b>ENERGY CHARGE</b>				<b>TRANSMISSION CHARGE</b>			
PEAK - SEC	104,059,575	0.02931	3,049,986	<100 KVA - SEC	283,731	4.50	1,276,790
PEAK - PRI	1,237,495	0.02786	34,479	<100 KVA - PRI	5,900	4.50	26,550
LOW A - SEC	97,858,363	0.02279	2,230,192	>100 KVA - SEC	686,462	9.37	6,432,149
LOW A - PRI	1,118,111	0.02166	24,223	>100 KVA - PRI	9,251	9.37	86,682
LOW B - SEC	172,518,038	0.01688	2,912,104	<b>TOTAL</b>	<b>985,344</b>		<b>7,822,170</b>
LOW B - PRI	2,174,244	0.01605	34,888				
<b>TOTAL</b>	<b>378,965,826</b>		<b>8,285,873</b>	<b>TRANSITION CHARGE (Demand)</b>			
<b>CONSERVATION CHG</b>	<b>378,965,826</b>	<b>0.00017</b>	<b>64,424</b>	<100 KVA - SEC	283,731	0.77	218,473
<b>FUEL CHARGE</b>	<b>378,965,826</b>	<b>0.03490</b>	<b>13,225,907</b>	<100 KVA - PRI	5,900	0.77	4,543
<b>TOTAL CHARGES</b>			<b>33,189,876</b>	>100 KVA - SEC	686,462	0.77	528,576
				>100 KVA - PRI	9,251	0.77	7,123
				<b>TOTAL</b>	<b>985,344</b>		<b>758,715</b>
				<b>DISTRIBUTION CHARGE (Energy)</b>			
				PEAK - SEC	104,059,575	0.00493	513,014
				PEAK - PRI	1,237,495	0.00378	4,678
				LOW A - SEC	97,858,363	0.00493	482,442
				LOW A - PRI	1,118,111	0.00378	4,226
				LOW B - SEC	172,518,038	0.00493	850,514
				LOW B - PRI	2,174,244	0.00378	8,219
				<b>TOTAL</b>	<b>378,965,826</b>		<b>1,863,092</b>
				<b>TRANSITION CHARGE (Energy)</b>			
				PEAK - SEC	104,059,575	0.00123	127,993
				PEAK - PRI	1,237,495	0.00123	1,522
				LOW A - SEC	97,858,363	0.00000	0
				LOW A - PRI	1,118,111	0.00000	0
				LOW B - SEC	172,518,038	-0.00074	(127,663)
				LOW B - PRI	2,174,244	-0.00074	(1,609)
				<b>TOTAL</b>	<b>378,965,826</b>		<b>243</b>
				<b>TRANSITION RATE ADJUSTMENT</b>			
				SEC	374,435,976	0.00074	277,083
				PRI	4,529,850	0.00074	3,352
				<b>TOTAL</b>	<b>378,965,826</b>		<b>280,435</b>
				<b>DSM CHARGE</b>			
				SEC	374,435,976	0.00250	936,090
				PRI	4,529,850	0.00250	11,325
				<b>TOTAL</b>	<b>378,965,826</b>		<b>947,415</b>
				<b>RENEWABLES CHARGE</b>			
				SEC	374,435,976	0.00050	187,218
				PRI	4,529,850	0.00050	2,265
				<b>TOTAL</b>	<b>378,965,826</b>		<b>189,483</b>
				<b>DEFAULT SERVICE ADJUSTMENT</b>			
				PEAK - SEC	104,059,575	0.00160	166,495
				PEAK - PRI	1,237,495	0.00160	1,980
				LOW A - SEC	97,858,363	0.00160	156,573
				LOW A - PRI	1,118,111	0.00160	1,789
				LOW B - SEC	172,518,038	0.00160	276,029
				LOW B - PRI	2,174,244	0.00160	3,479
				<b>TOTAL</b>	<b>378,965,826</b>		<b>606,345</b>
				<b>GENERATION CHARGE</b>			
				PEAK - SEC	374,435,976	0.04700	17,598,491
				PEAK - PRI	4,529,850	0.04606	208,645
				<b>TOTAL</b>	<b>378,965,826</b>		<b>17,807,136</b>
				<b>TOTAL CHARGES</b>			<b>32,399,512</b>

Information Request DTE-1-8

Refer to Exh. NSTAR-HCL-4. Please provide the source data referenced.

Response

The source data is the rate design exhibits for Rates G-2 and G-3 that were filed as Exhibit COM-HCL-3, pages 9-10 in D.T.E. 02-80B, Cambridge Electric Light Company and Commonwealth Electric Company 2002 Annual Reconciliation of the Transition Charge, which is provided herewith as Attachment DTE-1-8.

**D.T.E. 03-121**  
**Attachment DTE-1-8**

**COMMONWEALTH ELECTRIC**  
**ADJUSTED YEAR 1995 BILLING DETERMINANTS**  
**PRE-RAD RATES REFLECTING 1997 BASE RATES, CC & FC**  
**UNBUNDLED RATES FOR EFFECT JANUARY 2003**

**PRE-RAD RATE G-2 Includes Rate G-8****UNBUNDLED RATE DESIGN RATE G-2**

	UNITS	PRICE	REVENUE
<b>CUSTOMER CHARGE</b>			
SEC	4,189	400.14	1,676,186
PRI(M)	192	380.38	73,033
PRI(S)	12	388.14	4,658
<b>TOTAL</b>	<b>4,393</b>		<b>1,753,877</b>

	UNITS	PRICE	REVENUE
<b>CUSTOMER CHARGE</b>			
SEC	4,189	360.13	1,508,585
PRI(M)	192	342.34	65,729
PRI(S)	12	349.33	4,192
<b>TOTAL</b>	<b>4,393</b>		<b>1,578,506</b>

**DEMAND CHARGE**

PEAK - SEC	1,141,331	3.11	3,549,539
PEAK - PRI(M)	51,845	2.96	153,273
PEAK - PRI(S)	4,381	3.02	13,216
<b>TOTAL</b>	<b>1,197,557</b>		<b>3,716,028</b>

**DISTRIBUTION CHARGE (DEMAND)**

PEAK - SEC	1,141,331	1.53	1,746,236
PEAK - PRI(M)	51,845	1.45	75,404
PEAK - PRI(S)	4,381	1.48	6,502
<b>TOTAL</b>	<b>1,197,557</b>		<b>1,828,143</b>

**ENERGY CHARGE**

PEAK - SEC	112,706,347	0.02728	3,074,629
PEAK - PRI(M)	4,825,201	0.02593	125,129
PEAK - PRI(S)	528,340	0.02646	13,981
LOW A - SEC	111,405,762	0.02413	2,688,221
LOW A - PRI(M)	4,949,555	0.02294	113,533
LOW A - PRI(S)	464,426	0.02341	10,870
LOW B - SEC	191,029,076	0.01827	3,490,101
LOW B - PRI(M)	9,252,504	0.01737	160,693
LOW B - PRI(S)	794,994	0.01772	14,089

**TRANSITION CHARGE**

SEC	415,141,185	0.02749	11,412,231
PRI(M)	19,027,260	0.02749	523,059
PRI(S)	1,787,760	0.02749	49,146
<b>TOTAL</b>	<b>435,956,205</b>		<b>11,984,436</b>

**TRANSMISSION CHARGE (DEMAND)**

PEAK - SEC	1,141,331	1.52	1,734,823
PEAK - PRI(M)	51,845	1.44	74,911
PEAK - PRI(S)	4,381	1.47	6,459
<b>TOTAL</b>	<b>1,197,557</b>		<b>1,816,194</b>

**TRANSMISSION CHARGE (ENERGY)**

PEAK - SEC	415,141,185	0.00083	346,528
PEAK - PRI(M)	19,027,260	0.00079	15,098
PEAK - PRI(S)	1,787,760	0.00081	1,448
<b>TOTAL</b>	<b>435,956,205</b>		<b>363,073</b>

<b>TOTAL</b>	<b>435,956,205</b>		<b>9,691,246</b>
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<b>CONSERVATION CHG</b>	<b>435,956,205</b>	<b>0.00247</b>	<b>1,076,812</b>
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<b>FUEL CHARGE</b>	<b>435,956,205</b>	<b>0.06500</b>	<b>28,310,094</b>
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<b>TOTAL CHARGES</b>			<b>44,548,057</b>
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**DISTRIBUTION CHARGE (ENERGY)**

PEAK - SEC	112,706,347	0.01403	1,581,270
PEAK - PRI(M)	4,825,201	0.01132	54,621
PEAK - PRI(S)	528,340	0.01244	6,573
LOW A - SEC	111,405,762	0.01120	1,247,745
LOW A - PRI(M)	4,949,555	0.00863	42,715
LOW A - PRI(S)	464,426	0.00968	4,496
LOW B - SEC	191,029,076	0.00593	1,132,802
LOW B - PRI(M)	9,252,504	0.00361	33,402
LOW B - PRI(S)	794,994	0.00457	3,633
<b>TOTAL</b>	<b>435,956,205</b>		<b>4,107,256</b>

**TRANSITION RATE ADJ**

SEC	415,141,185	-0.00028	(116,240)
PRI(M)	19,027,260	-0.00028	(5,328)
PRI(S)	1,787,760	-0.00028	(501)
<b>TOTAL</b>	<b>435,956,205</b>		<b>(122,068)</b>

**DSM CHARGE**

SEC	415,141,185	0.00250	1,037,853
PRI(M)	19,027,260	0.00250	47,568
PRI(S)	1,787,760	0.00250	4,469
<b>TOTAL</b>	<b>435,956,205</b>		<b>1,089,891</b>

**RENEWABLES CHARGE**

SEC	415,141,185	0.00050	207,571
PRI(M)	19,027,260	0.00050	9,514
PRI(S)	1,787,760	0.00050	894
<b>TOTAL</b>	<b>435,956,205</b>		<b>217,978</b>

**GENERATION CHARGE**

SEC	415,141,185	0.04700	19,511,636
PRI(M)	19,027,260	0.04606	876,396
PRI(S)	1,787,760	0.04700	84,025
<b>TOTAL</b>	<b>435,956,205</b>		<b>20,472,056</b>

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**TOTAL CHARGES**

11/30/2002

43,335,464

**COMMONWEALTH ELECTRIC**  
**ADJUSTED YEAR 1995 BILLING DETERMINANTS**  
**PRE-RAD RATES REFLECTING 1997 BASE RATES, CC & FC**  
**UNBUNDLED RATES FOR EFFECT JANUARY 2003**

PRE-RAD RATE G-3 Includes Rates G-3(ED), Rider, SxD, Incr.

UNBUNDLED RATE DESIGN RATE G-3

	UNITS	PRICE	REVENUE		UNITS	PRICE	REVENUE
<b>CUSTOMER CHARGE</b>				<b>CUSTOMER CHARGE</b>			
SEC	363	1,000.14	363,051	SEC	363	900.00	326,700
PRI	301	950.74	286,173	PRI	301	855.54	257,518
TOTAL	664		649,224	TOTAL	664		584,218
<b>DEMAND CHARGE</b>				<b>DISTRIBUTION CHARGE (DEMAND)</b>			
PEAK - SEC	281,095	5.44	1,529,157	PEAK - SEC	281,095	0.88	247,364
PEAK - PRI	616,111	5.17	3,186,073	PEAK - PRI	616,111	0.64	394,311
TOTAL	897,206		4,715,229	TOTAL	897,206		641,675
<b>ENERGY CHARGE</b>				<b>TRANSITION CHARGE (DEMAND)</b>			
PEAK - SEC	32,067,127	0.01683	539,690	PEAK - SEC	281,095	2.41	677,439
PEAK - PRI	68,295,640	0.01600	1,092,634	PEAK - PRI	616,111	2.41	1,484,828
LOW A - SEC	32,691,823	0.01368	447,224	TOTAL	897,206		2,162,266
LOW A - PRI	69,053,712	0.01300	897,989	<b>TRANSITION CHARGE</b>			
LOW B - SEC	49,688,387	0.00781	388,066	PEAK - SEC	32,067,127	0.02428	778,590
LOW B - PRI	131,231,567	0.00742	974,288	PEAK - PRI	68,295,640	0.02428	1,658,218
TOTAL	383,028,256		4,339,891	LOW A - SEC	32,691,823	0.02231	729,355
<b>CONSERVATION CHG</b>	383,028,256	0.00247	946,080	LOW A - PRI	69,053,712	0.02231	1,540,588
<b>FUEL CHARGE</b>	383,028,256	0.06500	24,547,681	LOW B - SEC	49,688,387	0.02024	1,005,693
<b>TOTAL CHARGES</b>			35,198,106	LOW B - PRI	131,231,567	0.02024	2,656,127
				TOTAL	383,028,256		8,368,571
				<b>TRANSMISSION CHARGE (DEMAND)</b>			
				PEAK - SEC	281,095	1.92	539,702
				PEAK - PRI	616,111	1.92	1,182,933
				TOTAL	897,206		1,722,636
				<b>TRANSMISSION CHARGE (ENERGY)</b>			
				SEC	114,447,337	0.00000	0
				PRI	268,580,919	0.00000	0
				TOTAL	383,028,256		0
				<b>DISTRIBUTION CHARGE (ENERGY)</b>			
				PEAK - SEC	32,067,127	0.00871	279,305
				PEAK - PRI	68,295,640	0.00635	433,677
				LOW A - SEC	32,691,823	0.00771	252,054
				LOW A - PRI	69,053,712	0.00549	379,105
				LOW B - SEC	49,688,387	0.00417	207,201
				LOW B - PRI	131,231,567	0.00221	290,022
				TOTAL	383,028,256		1,841,363
				<b>DSM CHARGE</b>			
				SEC	114,447,337	0.00250	286,118
				PRI	268,580,919	0.00250	671,452
				TOTAL	383,028,256		957,571
				<b>RENEWABLES CHARGE</b>			
				SEC	114,447,337	0.00050	57,224
				PRI	268,580,919	0.00050	134,290
				TOTAL	383,028,256		191,514
				<b>TRANSITION RATE ADJ</b>			
				SEC	114,447,337	-0.00106	(121,314)
				PRI	268,580,919	-0.00106	(284,696)
				TOTAL	383,028,256		(406,010)
				<b>GENERATION CHARGE</b>			
				SEC	114,447,337	0.04700	5,379,025
				PRI	268,580,919	0.04606	12,370,837
				TOTAL	383,028,256	0.00000	17,749,862
				<b>TOTAL CHARGES</b>			33,813,665

Information Request DTE-1-9

Refer to Exh. NSTAR-HCL-3, Note 1. Please explain why the billing quantities are discounted. In addition, please provide all calculations and workpapers that support the discount value of 4.94 percent.

Response

Cambridge and Commonwealth serve a number of Rate G-2 and Rate G-3 customers at primary voltage. Because the prices on the rate schedules apply to secondary service, primary customers receive a 3 percent transformer-ownership discount and a 2 percent primary-metering discount. Combined, the discount amounts to 4.94 percent (that is,  $0.03 + (1-0.03)*0.02 = 0.0494$ ).

For example, in order for Cambridge to recover the entire amount of the energy revenue through a demand charge, the demand billing units must be adjusted to provide for the primary service discounts. Please refer to table below:

	<u>Without Adjustment</u>	<u>With Adjustment</u>
Energy \$	1,863,092	1,863,092
Demand kVA	985,344	984,596
\$/kVA	1.890804	1.892240
\$ for 985,344	1,863,092	1,864,507
Pri. kVA	15,151	15,151
Pri. \$	28,648	28,648
Disc @ 4.94%	-1,415	-1,415
Total revenue	1,861,677	1,863,092

The discount percentages for primary service are those included in the effective rates. Such discounts have been included in Cambridge's and Commonwealth's approved rates since 1961. At that time, the discount was 5 percent. In 1973, after the advent of a separate fuel adjustment clause, the discount percentage was changed to 3 percent for the base rate charges plus an additional 2 percent for total charges including fuel adjustment. Cambridge and Commonwealth have not retained records of the development of such discount percentages from the time they were established.

Information Request DTE-1-10

Refer to Exh. NSTAR-HCL-4, Note 1. Please explain why the billing quantities are discounted. In addition, please provide all calculations and workpapers that support the discount values of 4.94 percent and 3.0 percent.

Response

Please refer to the response to Information Request DTE-1-9.



Information Request DTE-1-11

Refer to Exh. NSTAR-HCL-4, Note 2. Please explain why the billing quantities are discounted. In addition, please provide all calculations and workpapers that support the discount value of 4.94 percent.

Response

Please refer to the response to Information Request DTE-1-9.

Information Request DTE-1-12

Refer to Exh. NSTAR-HCL-1, at 23, Lines 19-21. Please explain why standby rates would not be "workable" if the Companies did not convert all applicable distribution rate components to a single demand charge for each season, as proposed.

Response

As explained on page 24 of Exhibit NSTAR-HCL-1, the intent of the conversion of all distribution rate elements to a demand charge is to ensure that the customer does not pay more than once for the fixed component of distribution facilities. If the meter records more than the supplemental load because of a failure of the customer's generation to produce at the contract demand level, the Standby Rate will provide a revenue credit in recognition of the fact that the standby demand charge includes total distribution costs. This is because during an outage of the customer's generation, the billing meter will record both additional demand and energy. The additional distribution energy that is billed will go uncredited unless the demand charge includes all the distribution revenue.

All distribution revenues must be collected in a demand charge because, if the standby demand charge applicable to the contract demand is set at the tariffed demand charge, the distribution revenue ordinarily collected through the tariffed distribution energy charge is lost. Thus, the standby rate would not recover the full distribution charges.